

**Testimony by United States Agency for International Development  
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U.S. House Committee on Foreign Affairs  
Subcommittee on Africa and Global Health  
Chairman Donald Payne  
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Good morning, Mr. Chairman, Ranking Member Smith, and Members of the Subcommittee. Thank you for the opportunity to testify on the road ahead for sub-Saharan Africa and how the U.S. Agency for International Development (USAID) is confronting challenges and promoting progress.

The last ten years have seen an unprecedented influx of U.S. Government assistance targeted at helping Africa help itself in an attempt to emerge from poverty. USAID's budget for Africa has quadrupled since 2000, reaching an estimated \$5.5 billion in FY 2008. The benefits of this investment are being felt by millions of Africans all across the continent, but the challenges remain stark.

Today I want to talk with you all about what our USAID programs in Africa have accomplished, and what we see are some of the challenges going forward. Wars in Angola, Burundi, the Democratic Republic of the Congo (DRC), Liberia, Sierra Leone, and Uganda, and southern Sudan have ended or dramatically abated. At the same time, the tragedy in Darfur has escalated, unrest has wracked Kenya, Somalia remains ungoverned, and economic mismanagement and political suppression have brought Zimbabwe to the brink of collapse.

But it is the positive signs that change may be coming that reinvigorate USAID and our development partners. Across the continent, child mortality has fallen 14 percent since 1990. Unfortunately, overall life expectancy has also fallen due to the effects of poverty, war, and disease. Africa's gross domestic product has grown an average of five percent since 2005, but the global economic crisis and food insecurity is undermining development and destabilizing nations.

Before I begin, I would like to thank you, Mr. Chairman, for your continued support and your travel to Africa to see the work we are doing on the ground. We were very concerned to learn about the attack on you and members of your delegation during this most recent trip.

**Accomplishments**

Our presence in Africa has made a difference. I would like to give you a few examples of what our programs have accomplished.

- Exports to the United States from Africa under the African Growth and Opportunity Act (AGOA) have increased eight-fold since the program began in 2000. USAID support has helped increase the participation of small and medium enterprises—especially woman-owned business—in AGOA trade.

- The African Global Competitiveness Initiative has enabled over \$635 million in new trade-related infrastructure investments continent-wide and trained over 3,775 Africans on how to do business with the United States.
- In 2007, the Initiative to End Hunger in Africa helped 195,000 African enterprises access business development services and facilitated access to \$40 million in credit.
- USAID has built 269 public-private alliances with 800 partners in Africa since 2001. Our \$420 million has leveraged \$2.1 billion in private money.
- USAID education programs have benefitted over 61 million students, teachers, education administrators and community members across 40 countries in sub-Saharan Africa. Africa-wide, girls' participation in education has increased an average of 25 percent over the past 10 years.
- When the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) was announced in 2003, only 50,000 people living with HIV in all of sub-Saharan Africa were being treated for HIV/AIDS. By the end of FY 2008, USAID in partnership with other PEPFAR implementing agencies helped to treat over 2 million Africans with life-saving antiretroviral treatments.
- Mortality among children under five has fallen Africa-wide by 14 percent since 1990, from 187 per 1,000 live births in 1990 to 160 in 2006.

In short, USAID is wisely investing the American people's tax dollars in Africa and in return we are saving lives, building economies to create commerce and help people move out of poverty, and making the world more peaceful.

## **Vision**

Our vision for the future is to capitalize on these gains and strengthen our African partners so that we can face new challenges jointly as they arise. We are committed to the principle of strengthening country ownership—enabling countries to define and advance their own development strategies. Likewise, we are working to build more effective and inclusive partnerships among both Africans and other donors. We work with and through African organizations such as the African Union, the Common Market for East and Southern Africa, and the Economic Community of West African States, and the Southern Africa Development Community. In this way, we will increase the effectiveness of our assistance, and expand accountability for development results, so that collectively we are able to alleviate poverty and expand stability and democracy on the continent. We are also committed to expanding our circle of partners to leverage even greater results. U.S. development policy in Africa ultimately strives to help Africans better their own lives, build their own nations, and transform their own futures.

## **Challenges**

There are several critical challenges that we see in the coming years for Africa:

*Health.* In any society, productivity is inextricably tied to health. In Africa, people in their most productive years are often prevented from achieving their potential by acute and chronic illnesses such as tuberculosis, HIV/AIDS, malaria, and cholera. USAID interventions focus on increasing the availability, effectiveness, and access to quality health care, and on developing,

disseminating and advocating the adoption of state-of-the-art, Africa-appropriate approaches to health improvement in order to break this cycle of disease and preventable deaths amongst vulnerable populations, and strengthen the ability of individuals to contribute to sustained economic progress and overall well-being in their countries. Many of these interventions are conducted in partnership with other U.S. Government agencies through programs like PEPFAR, which use the unique strengths each agency brings to bear on these important and life-saving initiatives.

As new technologies have expanded the range of health care services available in Africa, including immunizations for children, drug treatment for people infected with HIV, new combination therapies to treat malaria and ready to use therapeutic foods to recuperate the malnourished, the need for a larger, well-trained, well-equipped work force in the sector has also expanded. Keeping up with that need, especially given the increasingly common choice of competent staff to emigrate to more developed countries and the movement of skilled staff to the ever growing private sector, poses a major challenge. While USAID continues our work to train new staff and upgrading pre-service curricula, we are also trying innovative programs such as health financing schemes to enable skilled workers to earn a better living, and the formation of new cadres of health workers with specific skills to increase efficiency.

As health care services are extended to populations in Africa living further and further away from urban areas, the challenge of maintaining an efficient supply chain for essential drugs and equipment grows accordingly. In Africa, this challenge is magnified by limitations on the technologies used to monitor stocks and flows of key commodities as well as the obstacles of poor road networks and the growing costs of transport. In response, USAID invests substantially in developing and supporting logistics systems to manage the flow of essential drugs and other commodities from procurement through delivery at the most peripheral health service delivery point, often the rural community itself.

Finally, the development of the physical health infrastructure, health centers and health posts, within reach of rural populations has not kept pace with the population growth. To bring health services to people living in areas without local health facilities, USAID has been testing and promoting community case management. By empowering and training community members to administer selected treatments, including antibiotics to counteract pneumonia and the new combination drug therapies to treat malaria, progress is being made to bring effective disease treatments to everyone, even those in the most remote geographical areas.

*Poverty.* Despite gains, extreme poverty continues to plague the continent. Four in ten Africans—more than twice the developing world average—live on less than \$1 a day, and the 2008 rise in food prices further distressed extremely poor African households, which spend up to 70 percent of their income on food. African gross domestic product (GDP) growth must consistently exceed 5 percent to increase per capita income by 2 percent. But Africa's economic growth dropped from a robust 6 percent in 2007, to a projected 1.7 percent in 2009—nearly 4 percent lower than was projected in just November of last year. And without steady economic progress, the number of Africans living in extreme poverty will continue to grow.

On a positive note, since 2000, Africa's economic growth has been increasingly diverse, boosted by sustained high prices of natural resources and increased prices for a number of agricultural commodities. The strong macroeconomic policy environment where governments have made sound policy choices that has been put into place over the past 15 years has also played a role in Africa's decade of strong GDP growth. But two economies—Nigeria (which is predominantly industrial) and South Africa (which is dominated by services)—represent more than half of the region's GDP. There remains widespread lack of access to safe drinking water and sanitation, roads are insufficiently developed, and more than half a billion people lack access to modern energy. While investment has significantly increased, it is still not enough. The business climate tends to work against investment in many countries, and the breadth and depth of financial systems remain weak—less than one in five African adults has access to formal sources of finance.

USAID works to help countries achieve rapid, sustained, and broad-based economic growth so they can reduce and eventually eliminate extreme poverty. Our programs aim to develop well-functioning markets by working with the drivers and enablers underlying economic growth to create the conditions for sustained increases in productivity, output, and incomes; enhance access to productive opportunities for the poor, women, and other disadvantaged groups to help ensure that they benefit from growth; and strengthen regional and international frameworks of policies, institutions, and public goods that support growth prospects and opportunities for poor countries.

Agriculture, like no other sector, can generate employment and income for poor people. This year, the U.S. response to the global food crisis, which builds on and expands the foundation laid by our Initiative to End Hunger in Africa, has undertaken urgent actions for fast-impact food production in key areas. These actions include national and regional efforts to make staple food markets work better, both to give the poor greater access to food and to stimulate private investment needed to sustain growth and build resilience to economic shocks.

USAID support for trade-led job creation through the Africa Global Competitiveness Initiative is being built on a strong agriculture sector to increase manufacturing and service sector jobs for urban youth. Regional integration and inter-regional connections in support of a continental African Economic Community will also provide economies of scale to increase trade at all levels.

*Population.* It is telling that nearly half of all Africans are less than 15 years old, and at the current 2.5 percent yearly growth, Africa's population will double to 1.7 billion by 2050. Eight countries will double their population even sooner – including Nigeria, Africa's largest country – in about three decades. This rapid population growth will impede the ability of all sectors—agriculture, health, education, economic growth—to keep pace with the growing numbers of people who need basic services.

The expanding population of youth will also have a tremendous impact on the education sector's ability to respond to their demand for a quality education. Teacher supply at the present rate cannot keep up with the Millennium Development Goal of universal access to primary education. It is estimated that Africa will need an additional 25 million new teachers over the next 15 years merely to maintain current class sizes. When combined with a high urban growth rate and land

and water scarcity, an uneducated youth population is a high risk for social and political unrest as well as economic fragility. We can make a difference in this area. USAID has helped raise contraceptive prevalence rates and lower total fertility rates: in Rwanda between 2005 and 2007 the contraceptive prevalence rate rose from 10% to 27% and in Madagascar between 1997 and 2007, the contraceptive prevalence rate CPR rose from 9.7% to 18.3%.

In addition to mitigating the impact of rapid population growth, the benefits of expanding access to family planning services could help women avoid poorly timed pregnancies that put their health and that of their children at risk. For example in Nigeria, according to a USAID-funded study, meeting the current demand for family planning by women would avert 19 thousand maternal deaths, 1 million child deaths, and 1.2 million abortions over 10 years. Not only is USAID the single largest donor to programs to help families extend the time between successive births, it is the strongest advocate with our donor and host country partners for voluntary family planning services.

*Democracy.* With the approaching demographic challenges it is even more important that Africa have strong governance structures in place. While Africa in 2009 is home to some of the most promising examples of new democracies in the world, it also contains some of the most disheartening glimpses of political stagnation, democratic backsliding, and state failure. According to Freedom House, democracy in Africa has declined for three years in a row. Recent *coups d'état* in Equatorial Guinea, Guinea, Mauritania, and Madagascar; post-election violence in Kenya, and the fragile transitional government in Zimbabwe highlight the challenges to strengthening democracy and governance on the continent. In addition, many countries that have held democratic elections are now closing or restricting the political space - particularly for civil society groups – such as Ethiopia and Uganda. Other countries, such as Nigeria which suffers from weak central control and corruption, or many West African countries being affected by narcotics trafficking, could easily become potential flashpoints if institutions of governance are not strengthened to address these challenges. There are some success stories, however. Recently, both Ghana and Zambia experienced peaceful elections leading to democratic transfers of power, Angola held its first successful parliamentary election in 16 years, and post-conflict societies from Liberia to southern Sudan to Burundi continued the painstaking work of rebuilding governance institutions without a return to widespread conflict.

The recent political unrest in several African countries is very troubling, in particular because these states were making progress towards democratic consolidation. Prior to the August 2008 coup in which the President was ousted from power by a group of military generals, Mauritania appeared to be making reasonable economic and political progress and was even under consideration for a Millennium Challenge Corporation Threshold Program. The death of President Conte and the subsequent assumption of power by the military in Guinea in December 2008, and the extra-constitutional assumption of power in Madagascar by Andry Rajoelina, the former mayor of the capital Antananarivo in March of this year are clear setbacks and illustrate the importance of programs to promote democratic consolidation and build institutions that can withstand and outlast changes in these politically charged environments.

Other circumstances remain more challenging. In Zimbabwe, we continue our efforts to promote a democratic transformation in the face of dire economic hardships. Southern Africa Development

Community-mediated negotiations held in the wake of an internationally criticized election last year resulted in a transition government between ZANU-PF and MDC this past February. It is too early to tell if this new arrangement will produce sustained changes for the benefit of the Zimbabwean people, but there have been some limited achievements including establishment of new monetary and fiscal policies, a decrease in politically motivated deaths and injuries, and the release on bail of the majority of political prisoners. But there remain serious issues to be dealt with, including ongoing land seizures, denial of due process, lack of a credible and transparent Reserve Bank team, and lack of progress on media restrictions and judicial reforms. The work of the reform-minded members of the transitional government is slowly leading to some fundamental changes that have the potential to improve the economic and political stability in the country for the benefit of all Zimbabweans. Our policy, therefore, is to carefully assess those changes in a calibrated way to best assist the reform-minded elements and isolate those working against the reform process. The U.S. Government has developed a new strategy to guide our efforts during the transition period leading up to what we hope will be free and fair elections, projected at 18-24 months from now. The strategy will focus on targeted interventions that build upon our current humanitarian assistance programs to provide enhanced support for food security and a social safety net and promote economic revitalization as appropriate. We are mindful of U.S. law and restrictions on assistance to Zimbabwe and will work in close concert with Congress as we move forward. We want to state clearly that we will not provide assistance to Robert Mugabe or ZANU-PF members who have undermined Zimbabwe's economic and political stability. We will also not provide direct budget assistance to the Government of Zimbabwe nor will we provide broad-based development assistance until we see substantial improvements in the governance and human rights areas.

Since the ouster of Charles Taylor in August of 2003, Liberia has made steady and remarkable progress with our and other donors' assistance. From a decade-long civil war to the democratic election for Africa's first female president, Ellen Johnson-Sirleaf in November of 2005, Liberia has made an impressive transition from a war-torn and strife-ridden society to a promising developing economy and society. President Johnson Sirleaf's strong leadership in moving Liberia's economic and political progress forward and addressing key impediments to development there is to be commended. Development assistance has evolved as Liberia has evolved from relief, resettlement and reintegration programs to a focus on health, education, economic growth and further democratic development. While peace and security challenges remain to be addressed, the balance has dramatically shifted, to the point where Liberia is now being considered for an MCC Threshold Program. Other USG assistance, to promote demobilization, disarmament and reintegration has also been vital to Liberia's peaceful progress. With strong governance practices in place, we know that our investments in Liberia's future can have a significant impact.

*Conflict.* In Africa, conflict remains a significant challenge and one that affects everything. Conflicts devastate the lives and livelihoods of the people living through them and destabilize neighboring countries and the region as a whole. Despite the tragic many examples of instability in Africa, the little-told story is actually one of hope and progress. Since a continental spike in violence in 1991, levels of conflict have gradually fallen; both the intensity and the frequency of conflicts today show evidence of decline. USAID, along with its interagency colleagues, has played an important role in mitigating conflict's impacts and assisting recovery, reconstruction,

and reconciliation in their wake. Our next challenge is to more aggressively work to prevent conflicts well before they start.

Since the fall of the Siad Barre regime in 1991, Somalis have been the victims of armed conflict resulting in catastrophic human suffering. USAID has been critical in supporting the current incarnation of the Transitional Federal Government which is being hailed as Somalia's best hope for government in 18 years. Our support to the Djibouti Peace Process has led to the expansion of Parliament to include members of the opposition group, the Alliance for the Re-liberation of Somalia, as well as members of civil society and the business community which in turn has led to the election of the former chairman of the Union of Islamic Courts, Sheikh Sharif Ahmed as President of Somalia. USAID support to the constitution drafting process in Somalia has also been critical in promoting dialogue in Somalia that is crucial to conflict resolution and lasting peace. You are all well aware of the scourge of piracy off the coast of Somalia. The recent attacks against ships carrying U.S. food aid for Somalia and other countries in the Horn of Africa, illustrate vividly the urgency to restoring the rule of law to Somalia.

While the U.S. is collaborating with international partners to address this problem on the water, the ultimate solution to instability and piracy lies in restoring a government and providing productive livelihoods for the people of Somalia. To this end, USAID has supported the Somali Youth Livelihoods Program which aims to provide skills training to unemployed youth as well as match job seeker skills with market needs.

Sudan stands as another leading example of the human cost of conflict and instability. The signing of the Comprehensive Peace Agreement (CPA) between North and South Sudan in 2005 created an incredible opportunity to advance Sudan on the road to democratic transformation, towards a peaceful and just Sudan where the tremendous diversity of Sudanese voices are heard.

While significant milestones have been achieved in Sudan with USAID support including the standing up of the Government of Southern Sudan, promulgation of the Constitution and conduct of the first national census, there remain serious challenges to implementation of the CPA including delays in preparations for the national elections now scheduled for early 2010, and support for the implementation of the Abyei Agreement signed in 2008. The situation in Darfur remains dire, with more than 4.7 million people displaced by the conflict and 2.7 million living in internally displaced persons camps. Over the past six years, the USG has committed over \$3 billion in life-saving humanitarian assistance to the victims of this crisis, which has kept millions of Darfuris alive and provided much needed health care, shelter and access to water and sanitation. Unfortunately, a peaceful resolution of the situation in Darfur remains elusive. Recent actions by the Government of Sudan have further restricted the ability of the international community to continue this lifesaving assistance to Darfur and the Three Areas, and we are gravely concerned about the impact of these actions over the coming months. On March 18, President Obama appointed retired Major General Scott Gration as his Special Envoy for Sudan. Since then, the Envoy has traveled to Sudan and begun a new dialogue with the Government of Sudan intended to address our humanitarian concerns in Darfur, move forward a peace process that will be crucial to alleviating the humanitarian crisis there, as well and continue USG's long-standing commitment to the CPA.

I began this testimony by noting that we have witnessed a dramatic expansion of U.S. assistance to Africa over the past decade. I have tried to give just a few examples here of how the generosity of the American people has translated into real and sustainable change on the ground in numerous countries around the continent. I have also tried to convey a sense of the challenges that still remain, and how we at USAID are working to address these challenges in partnership with our African colleagues. When we act together to promote the development of stable, prosperous and democratic states in Africa, we make America safer as well. We take heart in the progress that has been achieved, and with your support we will continue to push forward and bolster those who seek to fulfill the highest aspirations of what Africa can achieve in the coming years.

Thank you, Mr. Chairman, Ranking Member Smith and members of the Subcommittee for your continued interest, and for the commitment you have illustrated to the African people.

I welcome any questions you might have for me.